

EXHIBIT E

DELPHI

September 27, 2005

Rex H. Elliott, Esq. *via fax to (614) 481-6001 and U.S. mail*
Cooper & Elliott LLC
2175 Riverside Drive
Columbus, Ohio 43221

RE: Threatened Litigation by Audrey Huston & Family;
10591 Engle Rd., Butler Township, OH

Dear Mr. Elliott,

This is to acknowledge receipt of your faxed, September 26, 2005 letter concerning exploring settlement of claims by the Huston family relating to their Engel Road property. Delphi welcomes the opportunity to have settlement discussions with your clients. As I mentioned in my August 11, 2004 letter, "I am prepared to discuss this letter and the underlying dispute with you and Mr. Chapin".

A few points of clarification: First, I presume that you and Mr. Chapin continue to represent Mrs. Huston and her two children. Your letter refers to "Audrey Huston" and "Our client" (singular) but then mentions that "**They** wish to explore settlement ..." (emphasis added). Since Kay Schaeffer and John T. Huston jointly own the property, they need to be parties along with Mrs. Huston to any settlement that is reached.

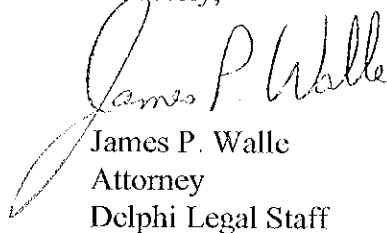
Second, you inquired about confirming Delphi's "last offer of \$150,000 for this property" (emphasis added). While Delphi remains open to discuss potential settlement options, as page 7 of my August 11th letter stated, "the arrangement concerning the purchase of the property has been terminated" by your clients' 2004 repudiation of the "handshake agreement". The last offer made by Delphi is stated in the second from last paragraph in my August 11th letter concerning installing a new well on the Engle Road property. Nevertheless, nothing precludes the parties from reaching a new agreement.

Third, as you know, much has been published about Delphi's economic health since we last communicated. (See, e.g., September 26, 2005 Wall Street Journal article, "Delphi's Chief Races Clock to Avoid Bankruptcy," p. B5 (attached)). Any lawsuit in this matter would be affected should Delphi file for Bankruptcy Protection.

Delphi Legal Staff
World Headquarters and Customer Center
5825 Delphi Drive, M/C 480-410-166, Troy, Michigan 48098-2815 USA

How would you like to proceed? In addition to telephone conversations, I propose that we use e-mail to facilitate more efficient communications. My e-mail address is james.p.walle@delphi.com My telephone number is (248) 813-1476.

Sincerely,



James P. Walle
Attorney
Delphi Legal Staff

cc. Donald H. Chapin, Esq. *via fax to (614) 799-8910*

SEP 20 2005

WSS, p. 65 Sept 26, 2005

Theory & Practice / By Jeffrey McCracken & Lee Hawkins Jr.

Delphi's Chief Races Clock to Avoid Bankruptcy

Is Delphi Next?

Battered by rising steel and plastics prices and production cuts by Ford and GM, several auto suppliers have sought bankruptcy protection.

COMPANY	FILED CHAPTER 11	RECENT DEVELOPMENTS
Citation Corp.	Sept. 2004	Maker of cast metal parts slashed debt, exited Chapter 11 in May
Internet Corp.	Sept. 2004	Seeking court approval for \$75 million investment by two private-equity firms
Amcast Industrial Corp.	Nov. 2004	Exited Chapter 11 after terminating pensions for 6,200 workers
Oxford Automotive Inc.	Dec. 2004	Exited Chapter 11 in May; sold European operations
Tower Automotive Inc.	Feb. 2005	Has closed three U.S. plants, cut 800 jobs
Collins & Aikman Corp.	May 2005	Has threatened to use bankruptcy court to force price increases on auto makers

the first half, amid high labor costs, rising prices for commodities like steel and slowing vehicle production at GM, its biggest customer, which accounts for about half of Delphi's sales. The bankruptcy decision likely hangs on parallel sets of negotiations that Mr. Miller is conducting with the United Auto Workers union and GM, in which he is using the threat of a filing as leverage to extract concessions.

"Miller's like the poker player who has wonderful cards in one hand and all of the chips in his other hand," says Jim McDevia, a Detroit-area turnaround consultant, mostly for auto suppliers, and a bankruptcy trustee for 25 years.

On the labor side, Mr. Miller says the company can't survive without cutting the wages and benefits of its 25,000 UAW employees. Delphi pays its workers an average of \$25.58 an hour, including wages and cost-of-living adjustments, compared with hourly labor rates of \$10 to \$18 at some competitors, estimates the Center for Automotive Research, an auto industry think tank in Ann Arbor, Mich.

ROBERT S. "STEVE" MILLER, the chairman and chief executive of auto supplier Delphi Corp., says he wakes up every morning and wonders if he can stave off bankruptcy for another day. After 12 weeks in the job, he is still finding reasons not to seek court protection from creditors.

"I make a new judgment every morning. Do we have enough time left? Are the parties ending up in a way that might result reasonably in substantial transaction?" said Mr. Miller, a veteran of bankruptcies at Bethlehem Steel Corp. and auto supplier Federal-Mogul Corp., in an interview last week. "So far, I think we might get this done, so I decide let's keep on trucking for another day."

But now he is coming down to the wire. If the Troy, Mich., company is going to file, Mr. Miller wants to do it before a new U.S. bankruptcy law takes effect Oct. 17. The new law limits the control that companies can exercise over their restructuring plans and comes with untested regulations that could prompt lengthy court battles. Mr. Miller says he doesn't want to be a "guinea pig" for the new rules.

A Chapter 11 filing by Delphi, which had \$28 billion in sales last year, would be the largest ever in the U.S. auto industry. It would jeopardize thousands of jobs at Delphi, and pose risks to Delphi's vendors as well as to its former parent company, General Motors Corp., whose plants rely on Delphi parts for everything from steering systems to XM Satellite radios.

That leaves Mr. Miller weighing the pros and cons of a filing. On the plus side, bankruptcy protection would make it easier to force price increases on GM and other customers, renegotiate labor contracts, eliminate costly pension plans, and close plants. But a bankruptcy filing could cost Delphi \$500 million in legal and restructuring fees, disrupt the company's access to badly needed funding, distract workers, and spawn adverse publicity.

Delphi posted a \$747 million loss for

concessions are the key to Delphi's fate. "Miller has a number in mind that he wants. If GM gives him a number he wants, it's fine," he said. "And if it's less, then he'll file it. But who knows what that number is."

In the interview, Mr. Miller said he worries about the stigma attached to a bankruptcy filing. To allay customer concerns, Mr. Miller said if he did file for bankruptcy it wouldn't be as disruptive as that of Collins & Aikman Corp., a supplier of interior components. Collins & Aikman has nearly shut production several times since seeking Chapter 11 protection in May, and has required more than \$300 million in financing from auto makers to keep operating.

"Collins & Aikman has scared a lot of our customers. They say, 'Oh my God, if this is what Chapter 11 is all about, then we have to run for cover if Delphi files,'" said Mr. Miller.

Mr. Miller said he is trying to convince customers that, even if Delphi seeks bankruptcy protection, it will be better prepared than Collins & Aikman. "We are facing our problems long before our strength has eroded," he said. Collins & Aikman spokesman David Youngman declined to comment on Mr. Miller's remarks.

Although Mr. Miller said last week that he would prefer not to take Delphi through bankruptcy proceedings, investors have been dumping Delphi shares and bonds on suspicions a bankruptcy filing is nearing. Last week, Delphi's stock fell below \$3 a share to a record low. A filing would wipe out the value of Delphi's shares, while bondholders likely would receive less than full payment.

Mr. McDevia, the industry consultant, says he thinks Delphi's increased ability to renegotiate contracts and cut costs under bankruptcy protection is a powerful incentive to file. He notes that Delphi in early August drew \$1.5 billion from a revolving-credit facility, which he says means the company is "building up a war chest that you need to have" after a bankruptcy filing.